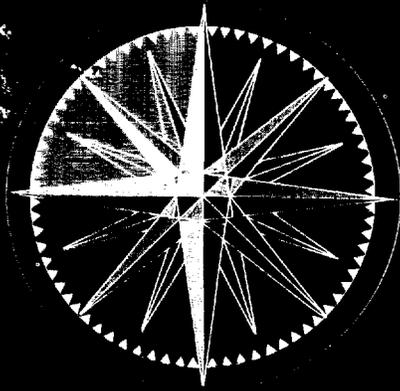


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30 August 1963

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SPECIAL REPORT

THE BULGARIAN COMMUNIST PARTY

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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30 August 1963

THE BULGARIAN COMMUNIST PARTY*

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[redacted] has become available, providing unusual insight into operations and problems at all levels of the Bulgarian Communist Party. The party is disunited, in a period of transition, and reluctant to face up to its political and economic problems. Because of the growing diversification in Eastern Europe, the Bulgarian party is not as typical as it once was, but many of its weaknesses and problems are common to all parties in the area.

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Todor Zhivkov

A good many of these problems can be laid to Todor Zhivkov, first secretary of the party central committee and, since November 1962, premier. He is considered by the few Westerners who have met him to affect a Khrushchevian affability but to lack most real leadership qualities. This opinion is shared by most Bulgarians, including party members. It was probably this very lack, however, that prompted strong-man Vulko Chervenkov to pick Zhivkov as his successor in the party in 1954 when it became momentarily unfashionable for a bloc leader to head both the party and state.

Zhivkov's greatest asset, and probably the explanation for his political longevity, has been Moscow's continuing support. With this backing, he used the powers vested in the first secretaryship first to restrict Chervenkov's influence in the regime, and finally

to rid the leadership of all contenders--a process which ended only last November under the guise of de-Stalinization with Chervenkov's ouster from the party and Anton Yugov's dismissal as premier and politburo member.

From Moscow's point of view, Zhivkov probably has been at best a mixed blessing. He has maintained internal stability, and has subordinated Bulgarian interests to Moscow's even when it has proved domestically embarrassing, as in the reversals of policy toward Yugoslavia since 1955. At the same time, his shortcomings are probably known and his sycophantic virtues not overrated. The lack of a more able replacement and the desire to maintain some measure of stability probably are the primary reasons why Moscow continues to support him.

Politburo and Secretariat

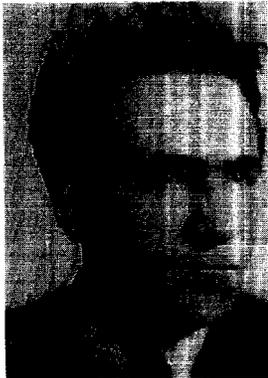
One area of administration in which Zhivkov has scored reasonably well is in the

*Prepared jointly by OCI and ORR.

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THE BULGARIAN POWER TEAM

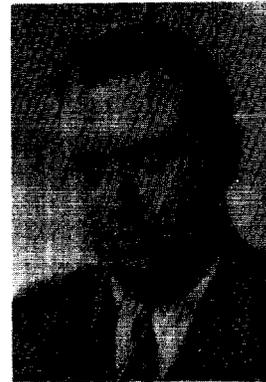


Nacho PAPA ZOV

THE INNER CIRCLE



Todor ZHIVKOV



Luchezar
AVRAMOV



Mitko GRIGOROV



Boris VELCHEV

TECHNICAL FORCE



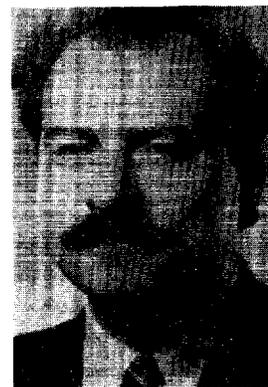
Stanko TODOROV



Tano TSOLOV



Zhivko ZHIVKOV



Pencho
KUBADINSKY

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SECRET**THE BULGARIAN COMMUNIST PARTY LEADERSHIP**

<u>Full Members</u>	<u>POLITBURO</u>	Date Elected	<u>SECRETARIAT</u>	Date Elected
Boyan Bulgaranov		1957	Todor Zhivkov	1950
Boris Velchev		1962	Boyan Bulgaranov	1956
Dimitur Ganev		1957	Mitko Grigorov	1958
Mitko Grigorov		1961	Boris Velchev	1959
Todor Zhivkov		1951	Nacho Papazov	1962
Zhivko Zhivkov		1962	Luchezar Avramov	1962
Ivan Mikhailov		1954	Ivan Prumov	1962
Encho Staykov		1954		
Stanko Todorov		1961		
<u>Candidate Members</u>				
Dimitur Dimov		1957		
Tano Tsolov		1962		
Pencho Kubadinsky		1962		

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acquisition of better qualified lieutenants. To consolidate his political position and, at the same time, to improve economic management, he has over the years promoted younger men with administrative or technical skills and retired into the background the older "professional revolutionaries." Six of the twelve politburo members have been appointed in the last three years; five of the seven secretaries of the central committee were elected since 1958. Zhivkov's closest advisers, described by one source as an inner circle of five with a supporting "technical group" of four, are drawn

from among these relative newcomers.

Although Zhivkov, despite his unpopularity, now has undisputed power, there is no reason to believe that he will remain unchallenged. Factionalism stalks the history of the Bulgarian party. At present, the leading potential contender for the first secretaryship appears to be his seemingly loyal second in command, Mitko Grigorov, who six years ago was a mere candidate member of the central committee and party chief in Varna District. About a year younger than Zhivkov, he is the party's top

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theoretician and ideological spokesman. More dynamic than Zhivkov, he also is considered more ruthless--a quality that is well appreciated locally and reportedly deemed necessary today by party members.

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Grigorov's standing with Moscow is not clear. There was evidence in the spring of 1962 that the Soviet leadership was less than happy about his haphazard handling of the de-Stalinization drive in Bulgaria. []

[] asserted that it was an unfavorable report by a Soviet ideologist who attended a strategy conference addressed by Grigorov which brought Khrushchev hastening to Bulgaria with a Soviet party delegation in May 1962.

Another potential candidate for Todor Zhivkov's mantle is Zhivko Zhivkov, a politburo "technician" and, as first deputy premier, the second in command in the government. Zhivkov--no relative of Todor's--has been described as the most able of the Bulgarian leaders, and [] has commented that, despite his show of subservience to the first secretary, he is "very independent, ambitious, and clever." [] added that the other leaders really do not trust him and that he may lack Moscow's confidence.

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Economic Policy

While there has been a fairly substantial over-all rate of economic development in the last ten years, the regime has been impa-

tient and tried to speed the pace. A "great leap" was begun in November 1958 to double agricultural production in one year, triple it in two, and increase industrial output by 30 percent in the first year. It was based on ideological and political imperatives to the exclusion of economic realities. Long a leader among the satellites in creating "socialist" forms, such as agricultural collectivization, the Bulgarian regime hoped to mobilize the country's resources for an all-out production drive so that it could become the first East European state to "build Communism."

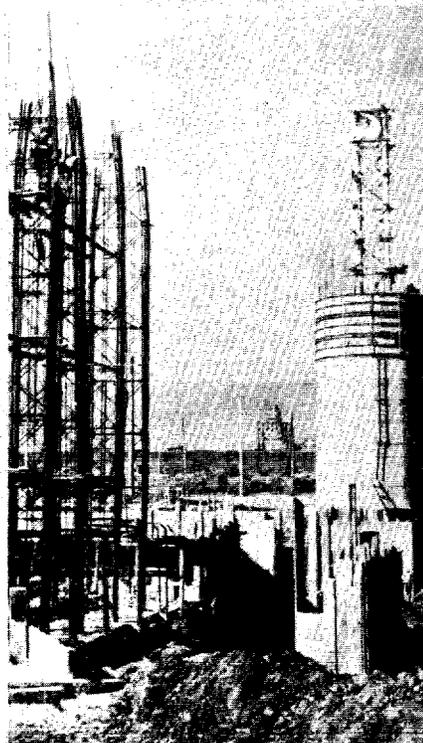
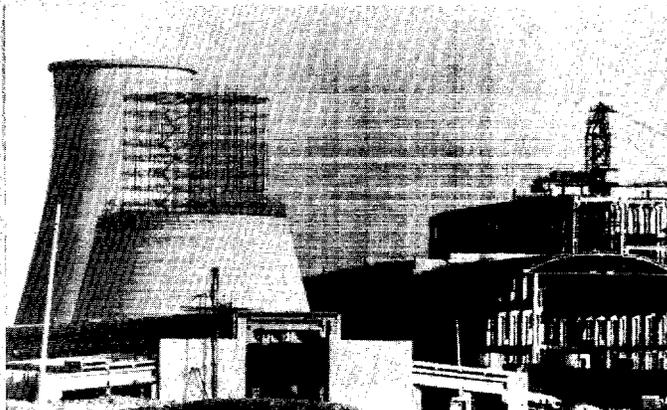
While the economy did expand at a more rapid rate than before, the "great leap" generally failed to meet essential targets and, in failing, generated serious economic strain and increased waste. Its lingering effects plague the regime--localism, a rise in "economic crimes" fostered by the degree of decentralization decreed during the "leap," disruption of the internal distribution system, hard-currency debts incurred to finance Western imports, and deterioration in worker morale under the extreme pressures for plan fulfillment.

Nevertheless, the regime continues to push a capital investment program that strains the country's resources--in part because mediocre agricultural production has restricted expansion both of industrial production and foreign trade. Continued rapid and broad development

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BULGARIA'S KREMIKOVTSI METALLURGICAL COMBINE



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of heavy industry is mapped out in the new Twenty Year Plan which the Council for Mutual Economic Assistance (CEMA) apparently has accepted--even though some of the investment projects, like the Kremikovtsi Metallurgical Combine, are as economically questionable as were several Rumanian projects which it opposed.

The Bulgarian regime, like the Soviet, is prone to regard reorganizations of its planning and management apparatus as a quick, easy solution for economic problems. Since 1959, there has been a periodic swing from centralization to decentralization and back, a steady stream of reorganizations which dissipated any beneficial effects that might have been realized.

Bulgaria lacks adequately trained technicians, administrators, and skilled workers. The regime has sent politically reliable workers abroad for training, and inaugurated on-the-job training programs in the schools as part of polytechnical educational reform begun in 1959. It also appears to be showing an increased appreciation of the need for stronger material incentives. Last summer, the regime raised the prices paid collective farmers for their crops, and in February it increased the amount of land allotted to the peasants for their own use. So far, however, these measures have failed to boost collective farm production.

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The Bulgarian party, with a membership of 528,000, or about 6.5 percent of the population, is subjected to increasing stress in two areas: the need to provide both effective party leadership and administration at all levels and in all areas of society, and, through de-Stalinization, to strike a better accord with the people as a whole. A more effective ruling elite is essential, but efforts leading to its formation have created disunity and disillusionment.

A basically conservative and uneducated membership has reacted against the preferment given younger party members who evidence administrative or technical promise. In short, the older party members and officials regard the new generation as careerist, opportunist, materialist, and "civil service"; the younger people regard the older officials and party members as incompetent petty tyrants, narrow bureaucrats, and Stalinists.

While de-Stalinization is no longer the thorn it once was for the top leadership, it remains an important problem in the lower ranks of the party, where local officials often frustrate implementation of regime programs. Some older, low-level functionaries disapprove because de-Stalinization

challenges the familiar patterns which to them constitute the very essence of Communism; others boggle because they see jeopardized the petty prerogatives they consider their due for long years of sacrifice to the party.

Zhivkov's essential inability to overcome such stolid opposition in the party's local apparatus was reflected in his concluding speech to last November's party congress, when he called for a re-education of the rank and file. He said in effect that the leadership had done as much as it could through personnel changes and reorganization; what was needed, he said, was for the party members to acquire a new spirit, new methods of work, and new attitudes toward each other and toward the nonparty populace.

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The effect has been a morale crisis, the seriousness of which is reflected in the radical solutions to Bulgaria's problems and the expressions of gloom which members are beginning to advance privately. [redacted]

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[redacted] has commented that in its efforts to resolve the country's problems, the regime may have to resort to some of the measures of the quasi-capitalist New Economic Policy current in the USSR in the 1920s, or scrap part or all of the collective farm system. [redacted] has warned that "another Stalin

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must be acquired or Bulgaria will collapse."

Outlook

The manifold problems facing the present Bulgarian regime pose no immediate threat to its stability, and it should be strengthened in the long run by its efforts to use trained, capable administrators and by a growing awareness of the need for more pragmatic approaches to economic problems.

Zhivkov is at the height of his power, and for the moment basks in Khrushchev's support. The loss of that support for any reason or the emergence of a strong rival within the

Bulgarian regime could spell a different story. While none of his potential contenders is yet strong enough to challenge him on any ground, the apparent rebirth of nationalism in Eastern Europe could in the future lead a contender to use an anti-Soviet appeal with telling effect in a factional struggle against the ever faithful Zhivkov.

At present, however, there are no signs that such a nationalist appeal would be effective, and the Zhivkov regime, dependent on Moscow by tradition and economic necessity, has no illusions that it could profit by defying Moscow as Rumania did recently with apparent success. (SECRET NO FOREIGN DISSEM)

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